

STATE OF THE CITY ADDRESS

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MAYOR, CITY OF CHARLESTON, SC

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Good evening. I am pleased to report to you on the state of your city, where notwithstanding the recent economic challenges, our future is bright, our economic recovery is well underway.

This year we proudly opened the Innovation Center, in partnership with the Medical University of South Carolina and the South Carolina Research Authority. This building, has been transformed into a state-of-the art, high tech facility to allow biotech inventions and processes to be tested and developed so that it can lead to new business opportunities. The Medical University conducts over \$200 million of research each year. It is our felt responsibility that we do everything we can to transfer those research activities into long-term substantial job creation. What a scientist needs after a concept has been identified is a place to test it: high quality lab space that allows for a successful incubation of the idea. That is what is now going on in the Innovation Center which I believe will prove to be a pivotal point in our community's economic development history.

The next step after the Innovation Center is the development of the Horizon District. This is land, largely vacant, between Lockwood and Hagood Avenue. We have been working on conceptual plans and have reached an agreement to allow for the further

planning and development of this area that would produce buildings for the incubated ideas from the Innovation Center to move to scale. This would be a live-work neighborhood benefiting from its adjacency to the Medical University and allowing Charleston to become a biotech, life science leader in our country and in the process creating more jobs.

We also created the Flagship, Charleston's premier business incubator located on East Bay Street. This business environment is meeting the transitional needs of entrepreneurs seeking affordable, adaptable office space and conference facilities while gaining access to the Digital Corridor's professional network.

Here we currently have seven businesses, each of which will soon need much larger permanent space and will be employing many more people, creating jobs in our region.

This development is a part of our highly celebrated Digital Corridor initiative which now has over 69 businesses and employs thousands of high-wage, highly skilled people in our region. And it is growing. We are planning to replicate the Flagship concept of small business incubation in a location west of the Ashley and will work to continue to develop this initiative in other parts of our City as well.

Further, in recognizing that a skilled workforce is the cornerstone of a knowledge-based economy, we are pleased to announce the launch of Charleston Works™, an

innovative workforce development initiative to assist our knowledge based companies with their recruiting efforts.

The Port of Charleston is a vital part of our economy. We all worked very hard with the State Ports Authority to help reverse the decision of Maersk Shipping Lines to leave the port of Charleston. With the great work of the splendid new Director of the Ports Authority, Jim Newsome, Maersk changed its plans to leave and recommitted to Charleston. This represents not only a huge number of jobs and economic activity but affirms our Port's leading role among the ports of our country. Also, it was announced this year that the Mediterranean Shipping Lines will be bringing in one of the world's largest ships. This ship is able to come into Charleston because of the depth of our harbor and the efficiency of our port- handling capacity.

On the waterfront was another jobs-producing announcement, the contract with Carnival Cruise Lines to make Charleston its home port for the year round embarkation for its cruise ship, *Fantasy*. They will have 70 calls a year. Not only do cruise lines visits require the employment of substantial numbers of people and purchase huge amounts of goods and services while they are here, but also it is a wonderful introduction of many visitors to Charleston, and he will return.

Further good news was the Ports Authority decision to begin the steps to build a new passenger cruise terminal. A new cruise terminal will of course itself create jobs in its construction, but it will also be the beginning of the redevelopment of the Union Pier property, approximately 50 acres that is such a special opportunity for this City to further

connect with its waterfront to give those who live here increased opportunities to enjoy and be inspired by views and access to our harbor and for job-creating economic development activities. The planning process is underway, there have been and will be additional public meetings.

It is important that the cruise ship business, like other things in Charleston, be at the right scale. A great port like Charleston should have a cruise ship line calling on it as we have had ships carrying passengers since we were founded. But it is also important that we don't be overwhelmed by this activity. The Ports Authority and the City are committed to only one cruise ship berth. One cruise ship is digestible and a very beneficial economic development. More than one berth would be out of scale for our City. The City and the Port and the community, I know, all share this belief.

Of course, the biggest job creation news, not only this year, but arguably in our history, was the decision by Boeing, to locate its second Dreamliner assembly plant here in our community. The job creation numbers are huge and have never been more welcome. 2,500 construction jobs to build the plant, which will open in 2011, then 3,800 jobs in the marvelous work of assembling the world's newest and best passenger aircraft. In addition to those jobs are the supplier and support services that will need to be located near the assembly plant. We have in the City a Task Force that has been working on making sure that we do everything we can to avail ourselves to the opportunities, commercially and residentially, to support the businesses and services that will be a part of this new industry.

We were able to secure a purchaser for the Mikasa building on Clements Ferry Road. It will become a distribution center for Gildan Activewear, a Canadian company that manufactures basic apparel. They will bring roughly 250 jobs and \$25 million in investment to the City.

The City and our region's economic development successes in this economy are attributable to many factors including the increased international recognition that our community has received. Last year, *Forbes* Magazine, the premier business publication, named Charleston as one of the world's smartest cities, ranking number 8 in their top 10. The *Conde Nast* travel magazine designated Charleston as the number 2 travel destination in the United States, topped only by San Francisco. The *Lonely Planet* travel guide chose Charleston as one of the top 10 cities in the world to visit, and there have been many other recognitions. This is a tribute to you, the citizens of Charleston and all those before us. Certainly, during these times this kind of recognition has proven to be enormously beneficial.

Last year the City of Charleston received national recognition for another job development program and a very special one. We received the top Livability Award from the United States Conference of Mayors. The City's award was for our Palmetto Artisans Program. Using the youth entrepreneurship training program that Charleston civic leader Jimmy Bailey brought to our community, we together trained these young people who had been creatively making these palmetto roses, into becoming successful small business owners. It was interesting that recently the Pulitzer Prize winning author, Thomas

Friedman recommended the teaching of entrepreneurship to young people be brought into every community. Under Jimmy Bailey and his colleagues' leadership and working with Dr. McGinley, that is happening here in Charleston.

We completed the beautiful King Street streetscape initiative which now has King Street not only the most successful downtown business district in our country, but also the most beautiful. We rejoiced especially during these times to see more new businesses opening on King Street.

We worked with the Avondale Pointe Neighborhood business owners and celebrated the wonderful revival of this business district, which was one of the first suburban business districts in our state. With the leadership of Councilman Aubry Alexander and also a citizen leader whose name I will mention in just a minute, the Old Charlestowne District sparked a wonderful revival of its collections of shops and restaurants. South Winderemere Center and St. Andrews Center, also early suburban shopping centers, have been beautifully restored. And we have been working with the business district leaders on Daniel Island, a newer and equally promising center of business activity.

We welcomed the American Recovery and Reinvestment Act initiatives to create jobs and stimulate business activity. Every new job created not only is important for that citizen and their family, but of course there is the leveraging effect a person newly employed or reemployed then has funds to pay rent or to buy clothes, to buy food, a car and services, all of which then benefit those businesses in our community and their

employees. We have competed for and have received over \$16 million of American Recovery and Reinvestment Act funds for which have been quickly put to good use. Through the Housing Authority we had \$3 million competitively bid for private contractors to be reroofing these buildings. The Arthur Christopher Community Center, which will be LEED certified is now well under construction. Nineteen new police officers were hired, security cameras purchased, park improvements made, affordable housing restored and much more. These funds created jobs and added substantially to our economy.

And these are but some of our economic development activities. They are always an important responsibility of a city government, that is, to help spur economic development, but never has it been more important than now. I feel a great responsibility for those who are out of work, those worried about the security of their jobs or those young people who are about to enter the job. I am very proud of all that was achieved this year and we have lots, lots more to do.

I do know all you had to tighten your belts this year and your City government did too. To keep all of your City services intact, Police, Fire, Sanitation and more and not raise property taxes every hard-working City employee will be furloughed. That means they had a cut in pay.

Under the outstanding leadership of Chief Greg Mullen and with the hard work of our 407 police officers, we achieved a 16% decrease in violent crime last year. With all the services we provide, I know that making your home, your neighborhood, your business,

your community safe is our most important responsibility. With the increased size of our Police Department and the wise allocation of resources by Chief Mullen, we are even more present and engaged in the community. Our walk and talk program has police officers out of their automobiles, a substantial portion of time, walking throughout the communities engaging with the citizens. Our police cars are now equipped with computers which allow, in real time, our police officers to receive information about suspects or criminal activity. Charleston continues to be a leader in successful crime fighting in our country, and your neighborhood is more safe.

To be even more successful we need the help of the General Assembly. Chief Mullen and I have been working very hard to help gain passage of important criminal justice reform laws. One is pending before the House Judiciary Committee at this very moment, which would give our police officers the ability to be more successful in keeping their eyes on convicted criminals who are back out on the street but still on probation. We need the ability to make sure they are not carrying drugs or guns. This law, similar to laws in many other states, would give us that ability and would substantially make our communities safer. Please call your House member and urge their support of Senate bill S191. Also, we have other a bill in the Senate that could keep violent offenders in jail. Call your House member and Senator and encourage them to support our efforts to make your community safer, by making our laws against violent criminals tougher.

Our hard working Fire Department, under the great leadership of Chief Tom Carr, helped develop something of great benefit, not only to our Department, but to this region

by achieving a new level of cooperative response from our area fire departments. Chief Carr took the lead on this, which has the effect of strengthening every fire department in our region. Chief Carr has also directed new extensive training activities and opportunities for our great firefighters. Their courage and skill are so inspiring. This year we will have our largest recruit class of 43 new firefighters being trained to join our Fire Department.

We have made huge strides in strengthening our stormwater drainage infrastructure, having spent over \$40 million in the last several years. Our largest drainage challenge is the Crosstown drainage basin. This represents 20% of the peninsula and a very costly and complicated infrastructure initiative. We have designed a solution which will be a series of tunnels, 140' under the City, reached by shafts drilled down to that level and then the water brought to a pump station that will be constructed between the two Ashley River bridges. This drainage problem was created by the construction of the Septima Clark Crosstown over 40 years ago without appropriate drainage systems to protect adjacent neighborhoods. We believe it is a Federal and State shared responsibility. We have prepared a grant application that is now before the U. S. Department of Transportation to fund this project, which would solve this drainage problem, the Crosstown would no longer be inundated during torrential downpours. It would rebuild and beautify this highway, connect neighborhoods, make the Medical University and the hospital complex more accessible, allow this important highway to be used as a needed evacuation route when there are storms, and more. We have completed the engineering and design. It is shovel ready. I have met with the U. S. Secretary of Transportation three times, the Secretary of Homeland Security and we have had extraordinary support from

Senator Graham and Congressman Clyburn on this grant application. We are doing everything possible to get this grant award. If we do, construction could be underway this spring. In any event, I will not rest until this serious drainage problem is addressed. Also, we expect to move forward on the Market Street drainage basin improvements as well as have under construction in Shadowmoor the Bridgepointe drainage improvements. And there are more. Our goal is to continue to address each drainage challenge in our City until they are all solved.

We are working on a number of transportation infrastructure improvements including Bees Ferry widening and improvements and the construction of the West Ashley Circle. I am also working hard to continue our progress on creating a commuter rail system that would connect Summerville with downtown Charleston.

Another alternate means of transportation is provided by bike and pedestrian trails. We are developing a master plan for improvements to the West Ashley Greenway and its extension with the bike and pedestrian appendage to the Ashley River, Allen Legare Bridge. We also will be developing a master plan for a series of connected bike and pedestrian systems throughout our community.

The City's historic market is now under reconstruction. This historic business district is home to a few hundred small businesses. The goal in this restoration is to make the market more beautiful, more successful and an increased destination for locals as well as visitors.

Our historic Dock Street Theatre's renovation is nearing completion. Every citizen of our community will be so proud of what has been achieved. It has been beautifully restored, seismically retrofitted, every component of it has been brought up to date, but the beautiful and quaint nature of it has been maintained. I can't wait for all of you to see it.

Last Friday I met with a group of Mayors with the United States Secretary of Education, Arne Duncan, where we talked about city government's opportunity to support public education, even when we don't have the responsibility of operating the schools as is the case in Charleston. In the City, we have, however, long accepted that responsibility of being a supporter and partner of our school system. The first day of school that the City sponsors is a wonderful event for students and their parents to come together and celebrate the beginning of a new school year.

I am so proud of the leadership of Dr. Nancy McGinley and so wholeheartedly support her literacy initiative and her many other excellent programs. The City is going to be working with the School District and North Charleston to create a Charleston Children's Zone patterned after the very successful Harlem Children's zone. I attended a fascinating conference about this initiative in New York last December. We are committed to creating a model initiative here in our community

Our Recreation Department continues to excel. It was named the Recreation Department of the year. Our Tennis Center was named the Club of the Year. We had a

20% increase in new sports and a 19% increase in swim lessons. Over 12,000 children participate in our sports program.

We will be opening our newest park, the Bees Landing Recreation Center. This facility will have ball fields, tennis courts, a beautiful gym and multi-purpose facility, a tot lot for kids and a park for their dogs, and more. Also this year we will begin construction of Governors Park on Daniel Island. This wonderful park will be able have soccer fields, a baseball field, a softball field, tot lot playground, dog run waterfront trail and more.

For two years a remarkable group of volunteers led by James Meadors formed our Green or Sustainability Committee and developed a wonderful master plan for our community. Whether it is in preserving beautiful old buildings like this one, to make sure that it is as energy conserving as possible, or encouraging all of us to develop more sustainable practices, we know that it is good business.

There is a whole new industry that is going to be developed as a part of the green movement, providing everything from the wind turbine testing facility that Clemson will construct at the former naval base to more efficient weather stripping and insulation of our homes. A more sustainable community will be a more economically successful one.

We have received an extraordinarily donation of \$20 million to assist in the renovation of the Gilliard Auditorium. This venerable facility can be transformed into a

world-class performing arts center. That would be very beneficial to all of the area arts organizations and have a huge positive economic development impact as well.

Similarly, the International African American Museum, which is in the early stages of design, will not only give us the opportunity to present Charleston and South Carolina's role in the history of African Americans in our country, but will also have a substantial economic development impact on Charleston.

Above all the awards, prominence and progress, what makes Charleston so special is its people.

As I close tonight, I wish to recognize four very special citizens. We watched with heartbreak the death and destruction in Haiti. Since we all wish to personally, physically help, as well as donate our resources, we have had the ability to know that Charleston was represented through Water Missions International. George and Molly Greene founded this life saving organization with the goal to bring safe, healthy drinking water to every person in the world. Water Missions is a non-profit with up to 350 volunteers serving them that makes this miracle, state-of-the art water purification device that can turn dirty, bacteria-filled water into clean, life-giving water to drink. Their mission has staff in poor countries around the world and already had two staff people in Haiti before the earthquake hit and since then they and their volunteers have worked around the clock to get additional water purification systems delivered to Haiti. Right now, Charleston's Water Missions International equipment is providing the equivalent of between 200,000 and 400,000 bottles

of water to the citizens of Haiti everyday. I would like to recognize the founders of Water Missions International, and their son, who is the Vice President of International Programs of Water Missions International, George and Molly Greene and George IV.

Like many citizens in our community, Michael Allen lost his job last year due to the economy. He had been a hard-working, very successful employee and most dedicated community volunteer. And what did he do? While looking for another job, he decided to give his new- found time to his neighborhood and his community. Michael Allen, working with his neighbors, helped spirit the remarkable revitalization of the Old Charlestowne Business District and worked tirelessly on behalf of his neighbors and their community. Earlier tonight, Michael Allen was given the Harold Koon Award, which is an award given annually for the citizen who best exemplifies community and public service. Congratulations, Michael Allen.

This is the state of our City, a wonderful city of people like the Greenes and the Allens and just like you. And because of you we have so many reasons to be proud of our past and indeed our future is very bright. Thank you and good night.